

Honorable Robert D. Drain  
Docket Number 05-44481 (RDD)  
United States Bankruptcy Judge - Southern District of NY  
One Bowling Green  
New York, NY 10004 -1408

FAX 914-390-4073 White Plains, NY

Frank Aparo  
103 Southern Pointe Drive  
Madison, Alabama 35758  
Employee of Delphi Steering Athens, Alabama

In the simplest terms, I have a legal, enforceable contract entered into during bankruptcy. I expect it to be fulfilled by Delphi, as it has been fulfilled by me as the Consolidation Manager of the Halfshaft Product Line. My severance payments were provided in exchange for my waiver of certain rights via the Release of Claims. Here are my points of objection:

- 1) Severance payment entitlement is by contract (Separation Agreement).
- 2) Employees waived certain rights (Release of Claims) to receive severance.  
(you provided an item of value to Delphi in exchange for severance payments)
- 3) The contracts were entered into during bankruptcy.
- 4) Severance payments are a contract liability (not a Delphi provided benefit).
- 5) I have a valid / binding / legal contract and I expect it to be honored.

I Frank Aparo signed the release of claims agreement on November 19, 2008 the agreement was witnessed by Harry Fuller and Steve Sloan acting as agents of Delphi. I am scheduled to end employment on June 30<sup>th</sup>, 2009. I fulfilled the requirements of my contract by executing my portion of our sites closure and I expect to have the contract I signed in November 2008 to be honored. Delphi solicited employees to stay and close the facility and I was selected as one of these employees and I had to agree to stay until my services were no longer needed. I have also attached a copy of my Separation Allowance Plan Release of Claims for Frank Aparo Employee # 1001701

Thanks.



FRANK APARO

Judgedrainseverance061709

**Delphi Corporation**  
**Separation Allowance Plan Release of Claims FRANK APPAL**

I have been separated from my employment with Delphi Corporation ("Delphi") effective June 28 (2009), 2009 under terms which make me eligible for benefits under the Separation Allowance Plan (the "Plan"). These benefits include Severance Pay in the total amount of \$ 2000 less applicable deductions, to be paid in 24 semi monthly installments commencing on July 1, 2009, and Other Transition Assistance, comprised of outplacement assistance and \$2000 which I may, at my discretion, use to help pay for the continuation of health care coverage through Delphi; provided, however, that, if I am eligible to retire with corporate contributions for health care in retirement at the time of my separation, I am not eligible for this \$2,000. I acknowledge that the consideration provided for in this Release of Claims is in excess of anything I would otherwise be entitled to receive absent my signing this Release of Claims.

In consideration for receiving these benefits, I, for myself, family, heirs, and representatives, release, remise, and forever discharge Delphi, General Motors Corporation, and their respective officers, shareholders, subsidiaries, affiliates, joint ventures, employee benefit plans, agents and employees, successors, and assigns from any and all manner of actions, causes of actions, suits, proceedings, damages, costs, and claims whatsoever in law or in equity (collectively "Claims"), which I have or may have based upon or in connection with my employment with or separation from Delphi. This release specifically includes all Claims under the Employee Retirement Income Security Act of 1974, as amended, which regulates employee benefit plans; Title VII of the Civil Rights Act of 1964, as amended, which prohibits discrimination in employment based on race, color, national origin, religion, or sex; the Americans with Disabilities Act, which prohibits discrimination in employment based on disability; the Age Discrimination and Employment Act, which prohibits discrimination in employment based on age; the Equal Pay Act, which prohibits wage discrimination; state fair employment practices or civil rights laws; and any other federal, state or local law, order, or regulation or the common law relating to employment or employment discrimination, including those which preclude any form of discrimination based on age. This includes, without limitation, Claims for breach of contract (either express or implied), slander, libel, defamation, and wrongful discharge. This release does not apply to Claims that are not subject to waiver under applicable law. This covers Claims I know about and Claims I do not know about; but does not cover Claims that arise after I separate from Delphi.

I understand that, by accepting benefits under the Plan, I will no longer be entitled to receive any disability benefits (short-term, long-term, or total and permanent) under the Delphi Life and Disability Benefits Program for Salaried Employees of the Delphi Retirement Program for Salaried Employees relating to any disability that arose or arises at any time, and if I am currently receiving or am eligible to receive disability benefits as of the effective date of this Release of Claims, I understand that such benefits or eligibility for such benefits will cease upon the effective date of this Release of Claims.

I have been given a minimum of forty-five (45) calendar days to review this Release of Claims and a written notice of the ages and job titles of all individuals in the same job classification or organizational unit who were (i) selected and (ii) who were not eligible or not selected for separation. I understand that I may use as much of this forty-five (45) day period as I wish. I have been advised to consult an attorney before signing this Release of Claims, but understand that whether or not I do so is exclusively my decision. I understand that I may revoke this Release of Claims within seven (7) days of my signing it. To be effective, the revocation must be in writing and must be received by \_\_\_\_\_ before the close of business on the seventh (7<sup>th</sup>) day after I sign this Release of Claims.

I acknowledge that Delphi has made no prior representations, promises, or agreements relating to my employment and separation contrary to this Release of Claims. I understand that I am not eligible for benefits Delphi provides under any other separation program and that I will not be eligible for any enhancements Delphi may subsequently make to the benefits provided under the Plan. This Release of Claims constitutes the entire and only understanding between Delphi and me regarding my separation. If any provision or portion of this Release of Claims is held unenforceable or invalid, all remaining provisions of this Release of Claims remain in full force and effect.

BY SIGNING BELOW, I ACKNOWLEDGE THAT I HAVE READ THIS RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS. I AFFIRM THAT I UNDERSTAND AND VOLUNTARILY AGREE TO ITS TERMS.

Signed: [Signature]

Delphi Identification Number (DIN): 1001701

Dated: 11/19/08

Accepted: Harry L. Fuller 11/19/2008  
Delphi Corporation

Revised November 2008

# DELPHI

February 5, 2009

To Delphi Global Salaried Employees:

The challenges created by a weakened global economy continue to have a dramatic impact on the automotive industry and on Delphi, with customer volumes at levels not likely to recover in the short term. We have and will continue to support our customers and manage our supply chain through this turbulent time. All of us are working on cost-reduction initiatives that have helped make a difference. However, it is essential that we take significant and immediate actions to further address the current challenges.

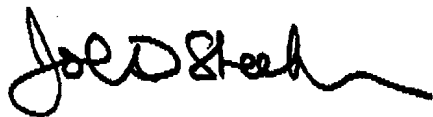
As a result, based on a country by country examination, merit plans and variable pay or "bonus" plans at each location will be suspended, reduced in fund size or re-timed for the latter part of 2009, based upon market conditions as well as local country and labor requirements, as applicable. One such action is the suspension of the 2009 incentive compensation plan for Delphi's worldwide executives.

We continue to review our compensation, policy, and benefit programs against the market in each country where we do business to ensure they are both competitive as well as affordable. As a result of this review, program and/or policy changes may be required.

The global economy, global companies' responses to these challenges, and our business plan to exit Chapter 11 bankruptcy in the U.S. create a very dynamic situation with respect to salaried employee plans and policies. Please understand that recommended changes are only implemented after careful consideration of market conditions, affordability, and the impact on employees with the intent of maintaining a viable global business now and in the future.

You will be notified locally of specific changes that may affect you in the very near future. Questions regarding this letter may be directed to your Human Resources Department for more information.

Sincerely,



John D. Sheehan  
Vice President and CFO  
Delphi



Kevin M. Butler  
Vice President Human Resources  
Delphi

World Headquarters and Customer Center 5725 Delphi Drive Troy, MI 48098-2815 USA

# DELPHI

February 5, 2009

To Delphi U.S. Salaried Employees:

As referenced in the letter distributed today to Delphi's global salaried workforce, Delphi, like others in the automotive sector, continues to face serious challenges created by a weakened global economy and its effect on the automotive industry. U.S. light vehicle sales for 2009 are down roughly 22% from an already slower 2008, and down nearly 40% from volumes experienced at the beginning of this decade. At current forecasts, 2009 U.S. light vehicle sales will reach their lowest level since 1982.

Delphi must respond to these market and economic realities by taking a series of difficult but necessary actions, applicable to U.S. salaried employees.

- The U.S. 2009 merit plan and annual incentive payments (AIP) for eligible executives and U.S. non-executive salaried employees will be suspended in 2009. Suspending these programs in the U.S. and other locations will assist in generating cash flow in 2009.
- Additionally, effective April 1, 2009, Delphi will cease to provide health care and life insurance in retirement to salaried employees and retirees.

In these extraordinary economic times, it is necessary for Delphi to discontinue these benefits in order to work towards further modifications to its plan of reorganization that will enable the company to emerge from chapter 11 reorganization as soon as practicable. Delphi acknowledges these actions will impose a real hardship on former beneficiaries of these programs. However, the company's recognition of this hardship, which allowed Delphi to continue these benefits in a more robust economic environment, regrettably does not support continuing these programs in the current economic environment.

On February 4, 2009, Delphi filed a motion with the U.S. Bankruptcy court regarding the aforementioned benefits in retirement. The benefits are generally referred to as Other Post Employment Benefits (OPEB). You will receive a copy of the motion in the mail at your home address. A copy of the motion can also be found on [www.delphidocket.com](http://www.delphidocket.com). Any responses to the motion will need to be filed with the Bankruptcy Court no later than February 17, 2009.

The change does not impact active employees hired prior to January 1, 1993 until they retire. Active employees who were hired after January 1, 1993 but prior to January 1, 2001 will no longer receive the 1% Corporate contribution made into their 401(k) account in lieu of health and life coverage in retirement. Employees hired on or after January 1, 2001 are not affected by this change because they did not have any health or life coverage in retirement based upon their date of hire. Effective April 1, 2009, current and future retirees will have access to Delphi coverages but will be required to pay the full cost of coverages continued. Impacted retirees will be notified of these changes in a separate communication and will be provided the information about continuing their coverages at their own expense. Questions about this change and/or the ability to purchase alternative coverage may be directed to the National Benefits Center at 1-866-335-7444.

World Headquarters and Customer Center 5725 Delphi Drive Troy, MI 48098-2815 USA

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- In December 2008, Delphi advised U.S. salaried employees that the Separation Allowance Plan severance schedule would be changed to cap at 6 months based upon length of service. The March 1, 2009 implementation date accommodated previously approved commitments to employees (e.g. specific wind down situations). Additionally, the date was based upon our projected customer volumes and workforce reduction plans at that time. However, rapidly deteriorating business conditions make it necessary to apply the new schedule to all classified salaried employees who were provided release of claims agreements after January 5, 2009.
- Effective January 1, 2009, all vacations will vest on a month-to-month basis. Employees who retire or separate from service will be eligible only for prorated vacation days prior to their last day of work based upon their date of separation in the calendar year. This change will be reflected in all Separation Allowance Plan documents presented to employees beginning today.
- Service Awards will be suspended until further notice. At the point in time Delphi is able to reinstate this program, missed anniversary dates during the suspended period will be recognized.
- Cash payments (\$50) to be made in May 2009 to employees who completed Health Risk Assessment Questionnaires will be suspended until further notice. This suspension includes employees who have already completed forms.

Delphi is among many companies throughout the world examining all policies, compensation and benefits in response to a weakened global economy. This week, Delphi employees in all regions of the world are being advised of similar changes affecting their site, country or region.

In this dynamic environment, it is possible that additional cost cutting measures will be necessary in response to changing business conditions; in that event, we will do our best to notify you as early as we can if and when further measures are needed. Except as otherwise directed, should you have questions about this letter or the information provided, please contact your local HR department.

We regret that these changes are necessary, but please understand the changes are only implemented after careful consideration of many factors, including the impact on Delphi people. We believe these changes are necessary to exit bankruptcy and maintain a viable global business.

Sincerely,

John D. Shcehan  
Vice President and CFO  
Delphi

Kevin M. Butler  
Vice President Human Resources  
Delphi

World Headquarters and Customer Center 5725 Delphi Drive Troy, MI 48098-2815 USA

**Employee**  
**Questions and Answers**  
**February 2009**

**HEALTH CARE**

- 1. Do the changes announced today change any of my health care benefits as an active employee?**

The changes announced today only change benefits provided to current retirees and to current employees when they retire.

- 2. Why has Delphi decided, at this late stage of the chapter 11 reorganization, to discontinue Corporation paid health care and life insurance coverages in retirement this year?**

Delphi continues to face serious challenges created by a weakened global economy and its effect on the automotive industry. Volumes are at levels we have never experienced as an independent company. U.S. light vehicle sales for 2009 are down roughly 22% from an already slower 2008, and down nearly 40% from volumes experienced at the beginning of this decade. At current forecasts, 2009 U.S. light vehicle sales will reach their lowest level since 1982. The change will impact Delphi's balance sheet by removing a liability of more than \$1.1B and conserving projected annual cash of approximately \$70M per year. In these extraordinary economic times, it is necessary for Delphi to discontinue these benefits in order to work towards further modifications to its plan of reorganization that will enable the company to emerge from chapter 11 reorganization as soon as practicable.

- 3. When I retire from Delphi after April 1, 2009, what are my options for maintaining my health coverages?**

When you retire you may:

- a) Elect to continue your health care coverages through Delphi by paying the full cost of coverages continued; or
- b) Make arrangements for coverage independently of Delphi and pay an independent insurance carrier for the coverages you choose.

- 4. What coverages will I be able to continue through Delphi?**

You may continue all the coverages you currently have at the time of your retirement. This includes Medical (includes hospital, medical, prescription drugs, mental health/substance abuse and hearing), Dental, Vision and Extended Care Coverages (if currently enrolled). You can determine which type of the four coverages you want to elect in any combination. However, once you opt out of any of the options, you cannot elect to go back in at some future date.

- 5. How do I get information about coverages available through Delphi and the cost of such coverages?**

You will be mailed an election kit by the National Benefit Center (NBC) immediately following your retirement with specific instruction on how to make elections for coverage. Your plan options and monthly rates will be included in the kit.

6. **I understand that Delphi currently provides a Medicare Special Benefit to eligible employees when they retire to help pay for Medicare costs – does that benefit continue?**

Beginning April 1, 2009, Delphi will no longer provide the Medicare Special Benefit.

7. **What happens to the Retiree Health Reimbursement Account (RHRA) that Delphi indicated I would have when I retire that helps pay for health care coverage after I am eligible for Medicare coverages at age 65 – I think the amount was \$10,000?**

The RHRA will be discontinued for all current and future retirees as of April 1, 2009.

8. **If I choose not to continue coverages through Delphi, what other coverages might be available to me?**

There are various sources for health care coverages in the individual market. You may wish to consult your current insurance agent because many are able to arrange health care and life insurance coverages in addition to automobile and homeowners insurance. In most states the local Blue Cross or Blue Shield plan usually has individual policies available. Organizations of which you may be a member (e.g., AARP) sometimes offer health and life coverages to their members. And, finally, many states have information available on their government websites about insurance available in their jurisdiction.

9. **Is it possible that the post retirement health care and life insurance benefits will be re-instated when the economy and business outlook improves?**

No. In order to put together a viable exit plan from bankruptcy it is necessary for Delphi to discontinue these plans permanently.

#### **LIFE INSURANCE**

1. **Do any of the changes announced today affect my life insurance as an active employee?**

Changes announced today impact you when you retire.

2. **What happens to my life insurance coverage in retirement?**

Effective April 1, 2009, your Basic Life Insurance will no longer be provided in retirement. However, contributory coverages (Optional Life, Dependent Life and Personal Accident Insurance) will continue.

3. **What are my options following the cancellation of my Basic Life Insurance when I retire?**

You may convert, at your expense, all or part of your Basic Life Insurance to an individual policy without proof of good health. This new coverage will be one of the policies issued by MetLife, except term insurance. Upon the cancellation of your Basic Life Insurance coverage, you will receive a conversion notice with instructions on how to convert your coverage to an individual policy.

If you retire before January 1, 2010 and would otherwise be eligible for continuing Basic Life Insurance in retirement, you will be given a one-time opportunity to increase your Optional Life Insurance by one level or to elect Optional Life Insurance at the first level. You will be required to submit proof, satisfactory to the Insurance Company, of your good health. You pay the full cost of this coverage.

If you retire on or after January 1, 2010, you may only continue the Optional Life Insurance you had at the time you retire. Active employees have the opportunity during the annual Options! Enrollment period, or due to a qualifying life event, to elect or increase their Optional Life Insurance coverage. Accordingly, you should carefully consider your annual Options! Enrollment elections for Optional Life Insurance to ensure that you elect the level of coverage you want in retirement.

#### **MERIT PLANS AND ANNUAL AND SALARIED INCENTIVE PLANS**

**1. When do we think the next merit plan will be?**

We will evaluate our business environment throughout 2009 and our competitive market information at the end of the year to determine when to provide a merit plan. The earliest we anticipate such merit plan would be mid-2010 based upon current business forecasts.

**2. Can I still get a proficiency promotion in a year where there is no merit?**

We expect that bona-fide promotions will continue as appropriate when openings exist or where a person's job has changed significantly with the addition of new work to their current job responsibilities. It is expected that proficiency promotions will not occur in 2009.

**3. Does the suspension of the 2009 incentive payments affect executives and non-executive employees in the US?**

The suspension of the 2009 Annual Incentive Plan affects global executives and US non-executive employees.

**4. Are employees around the world suspending the merit and bonus plans?**

Every plan around the world is being evaluated and will likely result in a suspension, delay or reduction of planned amount in accordance with local country and labor laws.

**5. Will Delphi be seeking court approval for a first half 2009 AIP program?**

No. We do not plan to seek court approval of an AIP program in 2009; however, if Delphi emerges from bankruptcy later this year, future programs may be considered.

#### **VACATION VESTING**

**1. Why was this change made?**

Last year almost \$2M was paid out in cash to separating and retiring employees for unused vacation. As we evaluated the practices of other companies and ways to conserve cash in this very volatile business climate, the decision to vest monthly was recommended for two primary reasons. First, the change provides equitable treatment to employee quitting, separating, or retiring from the company. Second, any potential incentive to receive cash in lieu of vacation when leaving the company is removed. We will be advising supervisors to encourage departing employees and retirees to take their full vacation allotment based upon the new vesting formula prior to leaving the company.



## **GENERAL**

- 1. Why are there so many changes and apparently more to come? Why can't you tell us about all the changes at one time and get it over with?**

The economy in general and the automotive industry, in particular, are facing unprecedented challenges. It is necessary for any company in this industry, and particularly for Delphi, to keep a pulse on volumes and react where necessary to avoid circumstances challenging the company. We evaluate the situation on an almost daily basis and believe that we should not implement an employee change without understanding industry practices, market conditions and affordability. Unfortunately, with the current rapid pace of change that means it is virtually impossible to announce with any degree of certainty all changes at one time.

- 2. If we added up all the changes made in December and today - wouldn't it have been easier just to take a pay cut and leave everything else the way it was?**

While some companies have chosen to do pay cuts in order to preserve cash, pay cuts alone do not impact on going obligations or liabilities on the balance sheet. Specifically, our US salaried payroll is approximately \$800M a year in total and the Other Post Employment Benefits (OPEB) liabilities exceed \$1.1B. Pay cuts alone would not help avoid the changes we announced today and may have to announce in the future.

- 3. What about our retirements - are they safe from change?**

Despite a much more challenging economic environment, management remains committed to a restructuring plan that protects the accumulated pension benefits of our workforce. We are in continuing discussions with our stakeholders to achieve that objective.

- 4. With all of the changes announced - won't Delphi salaried employees fall behind the market on total compensation?**

We do not believe Delphi salaried employees will fall behind the market for a couple of reasons. Most of the changes where benefits are eliminated (e.g. health care and life insurance in retirement) are not generally competitive practices in our automotive supply industry. Additionally, many companies are suspending or significantly delaying merit and bonus plans in response to the economic environment which should slow the competitive market movement overall.